

BEFORE THE
ILLINOIS COMMERCE COMMISSION

In the Matter of the Petition of
SCC Communications Corp.

for Arbitration Pursuant to Section 252(b)
of the Telecommunications Act of 1996
to Establish an Interconnection Agreement
with SBC Communications, Inc.

OFFICIAL FILE

Docket No. 00-0769

I.C.C. DOCKET NO.

Exhibit No. 1-B

Witness)

Date 2/5/01 Reporter SS

VERIFIED REBUTTAL STATEMENT

OF

RITA ZACCARDELLI

ON BEHALF OF

AMERITECH ILLINOIS

DATED: FEBRUARY 1, 2001

**VERIFIED REBUTTAL STATEMENT
OF**

RITA ZACCARDELLI

**Q1. ARE YOU THE SAME RITA ZACCARDELLI WHO SUBMITTED A
VERIFIED STATEMENT EARLIER IN THIS PROCEEDING?**

A1. Yes.

Q2. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A2. I respond to the testimony of Staff witness Omonoyi concerning Issue 1.K
(Deposits), which I addressed in my direct testimony at pages 6-7.

**Q3. TO PUT YOUR REBUTTAL TESTIMONY IN CONTEXT, PLEASE
REMIND US WHAT ISSUE 1.K IS ABOUT.**

A3. Ameritech Illinois' proposed section 7 of the General Terms and
Conditions requires the CLEC to make a deposit with Ameritech Illinois
before Ameritech Illinois furnishes resale services or network elements to
the CLEC. The amount of the deposit is proportional to the amount of the
CLEC's projected purchases over the next two to four months. A CLEC
that has established a good credit history with those Ameritech Illinois
affiliates with which the CLEC does business is excused from the deposit
requirement.

SCC's position is apparently that SCC should not have to pay a deposit,
because it is a solid company with the financial wherewithal to pay its bills.

As I understand it, SCC is saying that no CLEC should be required to
make a deposit unless a risk determination analysis affirmatively shows

that the CLEC is a credit risk. Ameritech Illinois disagrees with that position. Ameritech Illinois' proposed language, however, does exempt from the deposit requirement CLECs that have established good credit history. If SCC has established a good credit history as defined in section 7 (which definition the Illinois Commerce Commission has previously approved), SCC will be excused from the deposit requirement.

Q4. YOU SAY THE AMOUNT OF THE DEPOSIT – IN INSTANCES WHERE THE DEPOSIT IS REQUIRED – IS EQUAL TO THE AMOUNT OF THE CLEC'S PROJECTED PURCHASES UNDER THE AGREEMENT FOR THE NEXT TWO TO FOUR MONTHS. DOES SCC CLAIM THAT AMOUNT IS TOO LARGE.

A4. No. Based on what SCC has said in its arbitration petition and in the limited testimony it has offered on Issue 1.K, SCC's only complaint about section 7 has to do with the circumstances in which a deposit should be required. SCC does not raise any issue having to do with the amount of the deposit when a deposit is required.

Q5. WHAT VIEWS DOES STAFF WITNESS OMONOYI EXPRESS CONCERNING ISSUE 1.K?

A5. Mr. Omonoyi begins by stating (at page 5) that "SCC's position that Ameritech should first engage in a risk determination analysis should be denied," and then goes on to explain (at pages 5-6) the basis for that conclusion. Mr. Omonoyi's conclusion on this point is in accord with Ameritech Illinois' position.

Q6. DOES MR. OMONOYI EXPRESS ANY ADDITIONAL VIEWS CONCERNING ISSE 1.K?

A6. Yes. Mr. Omonoyi offers the opinion that the amount of the deposit in section 7 – two to four months' projected purchases by the CLEC – is in conflict with the amount of the deposit that the Commission approved in its Arbitration Award in the Level 3/Ameritech Illinois arbitration, and on that basis appears to recommend – or, more precisely, to be leaning toward a recommendation – that the appropriate deposit amount for SCC should be two months' of projected purchases.

Q7. WHAT IS YOUR RESPONSE TO MR. OMONOYI'S TESTIMONY ON THIS POINT?

A7. With all respect, I believe that Mr. Omonoyi's testimony about the amount of the deposit addresses a matter that is not in issue here, and thus, in effect, invites the Commission to go beyond its duty in this arbitration to resolve the issues the parties have presented for arbitration. As I mentioned, SCC has not questioned the amount of the deposit set forth in Ameritech Illinois' proposed section 7 – all it has questioned is the circumstances under which a deposit should be required. It seems to me that it would be inappropriate for the Hearing Examiners (or the Commission) to expand the limited and discrete issue that SCC has raised into a comprehensive review of all aspects of GT&C section 7, and that the Hearing Examiners should therefore not inquire into this matter of the amount of the deposit that Mr. Omonoyi has raised.

Q8. ARE YOU SUGGESTING THAT IT IS NEVER APPROPRIATE FOR STAFF TO WEIGH IN ON ASPECTS OF AN INTERCONNECTION AGREEMENT THAT TWO CARRIERS ARE NOT DISPUTING?

A8. No. After the arbitration concludes, the parties typically submit the resulting interconnection agreement to the Commission for its approval or rejection under the Telecommunications Act. At that stage, Staff (and others) can comment on any aspect of the agreement that they believe should not be approved.

Q9. MR. OMONOYI, AT PAGE 7 OF HIS TESTIMONY, ASKS THAT THE PARTIES PROVIDE INFORMATION THAT WOULD BEAR ON A DETERMINATION OF THE DOLLAR AMOUNT THAT SCC WOULD ACTUALLY HAVE TO DEPOSIT. DO YOU HAVE THAT INFORMATION?

A9. No, I do not. SCC, I think, would have a much better sense than Ameritech Illinois of the projected monthly purchases that SCC will be making, and therefore of the actual deposit amount. I would add, however, that there is no need for the Commission to determine in this proceeding the amount of the deposit SCC will make. All the Commission needs to decide is whether to accept or reject SCC's proposal that a risk analysis be conducted as a prerequisite to requiring a deposit from any particular CLEC. If the Commission rejects that proposal, as Ameritech Illinois and Mr. Omonoyi recommend, that will resolve the parties' only disagreement concerning section 7.

Q10. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A10. Yes.